

NEWS RELEASE

Arizona House of Representatives

Representative Vince Leach (R-11)

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Representative Vince Leach Thanks Governor Ducey for Signing GPLET Reform Bill Into Law

STATE CAPITOL, PHOENIX – Representative Vince Leach (R-11) today applauded Governor Doug Ducey for signing <u>HB 2213</u> into law.

The bill, sponsored by Representative Leach, closes several loopholes related to the Government Property Lease Excise Tax (GPLET) and reduces the length of GPLETs from 25 years to 8 years. HB 2213 received bipartisan support, passing the Senate by a vote of 29-0 and the House by a vote of 56-0.

GPLETs are levied in lieu of property taxes when governments lease publicly-owned property to private businesses. When local governments give property tax incentives like GPLETs to developers, it deprives school districts of tax revenue. State taxpayers are forced to make up the difference through elevated payments to those school districts.

GPLETs have been the subject of <u>much controversy</u>, with critics charging that cities are manipulating the intent of the program to <u>reward well-connected developers with millions of dollars in tax breaks</u>.

"It ought to be the marketplace that picks winners and losers, not local governments," said Representative Leach. "By closing loopholes in GPLET, we'll put an end to these tax giveaways to developers and direct the savings where it's more needed: K-12 education."

"I thank Governor Ducey for signing HB 2213 into law, my colleagues for their bipartisan support of the bill, and stakeholders on the issue for their input and hard work."

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